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A T T O R N E Y S

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December 1, 1999

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

RECORDATION NO. 20312-H, I FILED

DEC 1 '99

3-21 PM

Dear Secretary Williams:

I have enclosed seven originals of the two documents described below, to be recorded pursuant to 49 U.S.C. § 11301.

I. The first document is a Memorandum of Security Agreement and Assignment of Leases, a secondary document, dated as of November 30, 1999. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-H.

The names and addresses of the parties to the Memorandum of Security Agreement and Assignment of Leases are:

Debtor:

Southern Capital Corporation, LLC  
1055 Broadway  
Suite 990  
Kansas City, MO 64105-1599

Secured Party:

The Chase Manhattan Bank  
270 Park Avenue  
New York, NY 10017

A description of the equipment covered by the Memorandum of Security Agreement and Assignment of Leases consists of 50 AC4400 CW diesel electric locomotives numbered KCS 2000-2049, inclusive.

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II. The second document is a Memorandum of Leases, a secondary document, dated as of November 30, 1999. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-I.

The names and addresses of the parties to the Memorandum of Leases are:

Lessor:

Southern Capital Corporation, LLC  
1055 Broadway  
Suite 990  
Kansas City, MO 64105-1599

Lessee:

The Kansas City Southern Railway Company  
114 West Eleventh Street  
Kansas City, MO 64105-1804

A description of the equipment covered by the Memorandum of Leases consists of 50 AC4400 CW diesel electric locomotives numbered KCS 2000-2049, inclusive.

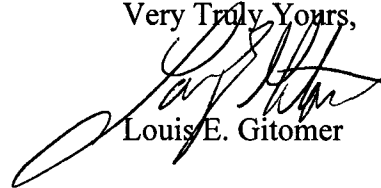
A fee of \$52.00 is enclosed. Please return six originals of each document to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

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A short summary of the documents to appear in the index follows: (1) a Memorandum of Security Agreement and Assignment of Leases between Southern Capital Corporation, LLC, 1055 Broadway, Suite 990, Kansas City, MO 64105-1599, and The Chase Manhattan Bank, 270 Park Avenue, New York, NY 10017; and (2) a Memorandum of Leases between Southern Capital Corporation, LLC, 1055 Broadway, Suite 990, Kansas City, MO 64105-1599, and The Kansas City Southern Railway Company, 114 West Eleventh Street, Kansas City, MO 64105-1804, both covering 50 AC4400 CW diesel electric locomotives numbered KCS 2000-2049, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name.

Louis E. Gitomer

Enclosures

DEC 1 '99

3-21 PM

Memorandum dated as of November 30, 1999, of a Security Agreement and an Assignment of Leases made and entered into as of October 21, 1996, by and between Southern Capital Corporation, LLC, a Colorado limited liability company, as Grantor/Assignor (the "Grantor"), having its principal offices at 1055 Broadway, Suite 990, Kansas City, Missouri 64105-1599, and The Chase Manhattan Bank, as collateral agent (the "Collateral Agent"), having its principal offices at 270 Park Avenue, New York, NY 10017

Reference is hereby made to the Leases specified on Exhibit A attached hereto, by and between the Grantor and the Lessee identified on such Exhibit A (as the same have been and may be amended, supplemented, otherwise modified or renewed from time to time, the "Leases")

## WITNESSETH

- 1 The Grantor, pursuant to that certain Assignment and Security Agreement (Chattel Mortgage) dated as of October 21, 1996, between the Grantor and the Collateral Agent has transferred, conveyed, warranted, mortgaged, delivered, pledged, assigned and granted to the Collateral Agent, its successors and assigns, all of the Grantor's rights, title and interest in and to the Collateral (as defined therein), including, without limitation, the RR Equipment and the Rental Collateral, all the Grantor's rights, interests and privileges, now or hereafter existing, in and to the Rental Collateral and any and all Proceeds of the foregoing
- 2 As used in this Memorandum of Security Agreement and Assignment of Leases the following capitalized terms used herein and not otherwise defined herein shall have the meanings specified below Any other term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Competitive Advance and Revolving Credit Facility Agreement dated as of October 21, 1996, as amended, modified, extended or restated from time to time among Southern Capital Corporation, LLC, the Lenders (as defined therein), Bank of America Illinois, as documentation agent and The Chase Manhattan Bank as syndication agent and administrative agent

"Rental Collateral" means all right, title and interest of the Grantor in and to every lease or car service contract (whether or not such lease or car service contract is in writing or is for a term certain, including, without limitation, per diem leases), now or hereafter existing, relating to the RR Equipment and all other leases constituting any portion of the Rail Portfolio, including, without limitation, the Leases, (each such lease and car service contract, including all amendments, riders, supplements, other modifications and schedules thereto and renewals thereof, an "Assigned Lease"), and including, without limitation, the immediate and continuing right to collect and receive any and all payments due and to become due under any Assigned Lease, whether as contractual obligations, damages or otherwise and all Proceeds of any thereof (such payments, the "Assigned Lease Proceeds")

"RR Equipment" means all rolling stock and is described on Exhibit A attached hereto

"Proceeds" shall have the meaning assigned to such term in the UCC and, in any event, includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral

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"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York

IN WITNESS WHEREOF, the undersigned has caused this instrument to be signed by its corporate officer as of the date first above written

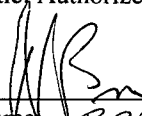
SOUTHERN CAPITAL CORPORATION, LLC,

by



Name B. A. LAUDIN  
Title Authorized Representative

by



Name R. P. Bruening  
Title Authorized Representative



STATE OF Missouri )  
 ) ss  
COUNTY OF Jackson )

On this 30<sup>th</sup> day of November, 1999, before me personally appeared Richard P. Bruening, to me personally known, who being by me duly sworn, says that he is an Authorized Representative of SOUTHERN CAPITAL CORPORATION, LLC, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

Barbara L. Blevins  
NOTARY PUBLIC

My commission expires 10-04-2003



## LEASES AND RR EQUIPMENT

<u>Lessee</u>	<u>Lease Number</u>	<u>Equipment</u>	<u>Type</u>	<u>Number of Units</u>	<u>Identifying Numbers (Both Inclusive)</u>
The Kansas City Southern Railway Company	Supplement No. 4 to Locomotive Master Lease Agreement	newly- manufactured diesel electric locomotives	General Electric AC4400 CW diesel electric locomotives	50	KCS 2000 through KCS 2049